



Southwestern Idaho News

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY & WASHINGTON COUNTIES

ECONOMIC TRENDS

The seasonally adjusted unemployment rate for the Boise-Nampa Metropolitan Statistical Area was unchanged in June from both April and May at 3 percent. The rate was nearly a half percentage point lower than June 2005's 3.4 percent. The civilian labor force decreased by 2,000, and total employment declined by 1,900 to leave the unemployment rate unchanged. The decline in the labor force is due in part to some seasonal education employment coming to an end and the Boise area's shortage of the good-paying professional jobs that job seekers are looking for. Some people will temporarily drop out of the labor force, discouraged about being unable to find employment that suits their needs.

Despite the slight decline in the labor force, nonfarm payroll jobs in the metropolitan area continued their upward movement in June, growing 0.6 percent, or about 1,500 new jobs. Of those, 800 were in construction, which has been

Southwestern Idaho Table 1: Boise City-Nampa MSA Labor Force & Employment (Ada, Canyon, Boise, Gem and Owyhee counties)

	Jun 2006*	May 2006	Jun 2005	% Change	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	292,700	294,700	282,700	-1	4
Unemployment	8,800	8,900	9,600	-1.1	-8.3
% of Labor Force Unemployed	3	3	3		
Total Employment	283,900	285,800	273,100	-0.7	4.0
Unadjusted					
Civilian Labor Force	295,800	294,500	286,400	0.4	3.3
Unemployment	8,600	7,800	9,300	10.3	-7.5
% of Labor Force Unemployed	3	3	3		
Total Employment	287,200	286,700	277,100	0.2	3.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	270,200	268,700	249,200	0.6	8.4
GOODS-PRODUCING INDUSTRIES	54,100	53,100	50,300	1.9	7.6
Natural Resources & Construction	23,200	22,400	20,500	3.6	13.2
Construction	22,900	22,100	20,200	3.6	13.4
Manufacturing	30,900	30,700	29,800	0.7	3.7
Durable Goods	24,700	24,500	23,700	0.8	4.2
Wood Product Manufacturing	2,300	2,200	2,200	4.5	4.5
Fabricated Metal Products Mfg.	1,500	1,500	1,400	0.0	7.1
Machinery Manufacturing	1,200	1,200	1,200	0.0	0.0
Computer & Electronic Manufacturing	14,100	14,000	14,300	0.7	-1.4
Transportation Equipment Mfg.	2,500	2,400	2,200	4.2	13.6
Other Durable Goods	3,100	3,200	2,400	-3.1	29.2
Nondurable Goods	6,200	6,200	6,100	0.0	1.6
Food Manufacturing	4,200	4,200	4,300	0.0	-2.3
Printing & Related Support Activities	700	700	700	0.0	0.0
Other Nondurable Goods	1,300	1,300	1,100	0.0	18.2
SERVICE-PROVIDING INDUSTRIES	216,100	215,600	198,900	0.2	8.6
Trade, Transportation, & Utilities	53,100	52,600	48,700	1.0	9.0
Trade	45,400	45,000	41,600	0.9	9.1
Wholesale Trade	12,600	12,500	11,400	0.8	10.5
Wholesalers, Durable Goods	7,500	7,400	7,000	1.4	7.1
Wholesalers, Nondurable Goods	3,600	3,600	3,400	0.0	5.9
Retail Trade	32,800	32,500	30,200	0.9	8.6
Food & Beverage Stores	4,600	4,500	4,400	2.2	4.5
General Merchandise Stores	6,300	6,300	6,100	0.0	3.3
All Other Retail Trade	21,900	21,700	19,700	0.9	11.2
Transportation, Warehousing, & Utilities	7,700	7,600	7,100	1.3	8.5
Utilities	600	600	600	0.0	0.0
Transportation & Warehousing	7,100	7,000	6,500	1.4	9.2
Information	5,300	5,200	5,300	1.9	0.0
Telecommunications	2,500	2,500	2,200	0.0	13.6
Financial Activities	14,900	14,800	8,600	0.7	73.3
Finance & Insurance	10,300	10,300	4,600	0.0	123.9
Real Estate & Rental & Leasing	4,600	4,500	4,000	2.2	15.0
Professional & Business Services	38,700	38,100	37,500	1.6	3.2
Professional, Scientific, & Technical	11,200	11,100	10,700	0.9	4.7
Management of Companies & Ent.	5,900	5,900	5,700	0.0	3.5
Administrative & Support & Waste Mgmt.	21,600	21,100	21,100	2.4	2.4
Educational & Health Services	32,100	32,200	31,000	-0.3	3.5
Educational Services	2,700	3,100	2,500	-12.9	8.0
Health Care & Social Assistance	29,400	29,100	28,500	1.0	3.2
Hospitals	9,500	9,400	9,200	1.1	3.3
Leisure & Hospitality	24,000	23,400	22,800	2.6	5.3
Arts, Entertainment, & Recreation	3,700	3,400	3,100	8.8	19.4
Accommodation & Food Services	20,300	20,000	19,700	1.5	3.0
Accommodation	2,100	2,100	2,100	0.0	0.0
Food Services & Drinking Places	18,200	17,900	17,600	1.7	3.4
Other Services	7,300	7,400	6,300	-1.4	15.9
Total Government	40,700	41,900	38,700	-2.9	5.2
Federal Government	5,800	5,600	5,900	3.6	-1.7
State & Local Government	34,900	36,300	32,800	-3.9	6.4
State Government	12,700	13,900	12,800	-8.6	-0.8
State Government Education	3,800	4,800	4,000	-20.8	-5.0
State Government Administration	8,900	9,100	8,800	-2.2	1.1
Local Government	22,200	22,400	20,000	-0.9	11.0
Local Government Education	13,900	14,200	12,100	-2.1	14.9
Local Government Administration	8,300	8,200	7,900	1.2	5.1

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Southwestern Idaho Table 2: June 2006 Seasonally Adjusted Labor Force Figures for Southwestern Idaho Counties

	Civilian Labor Force	Number Unemployed	Percent Unemployed	Number Employed
Ada	195,012	5,433	2.8	189,579
Adams	1,978	122	6.2	1,856
Boise	4,181	111	2.7	4,070
Canyon	81,327	2,796	3.4	78,531
Elmore	11,395	569	5.0	10,826
Gem	7,422	298	4.0	7,123
Owyhee	4,706	137	2.9	4,569
Payette	10,024	447	4.5	9,577
Valley	5,475	187	3.4	5,288
Washington	4,914	208	4.2	4,706
Statewide	757,550	26,782	3.5	730,768

driving the region's economy in recent years and is the only industry adding a significant number of higher-paying jobs. Many sectors are rapidly adding jobs, but most do not pay as well as those in construction. While construction accounts for only 8.5 percent of nonfarm jobs, it was responsible for 53 percent of all the new jobs generated in June. The metropolitan area currently has one of its smallest industries driving job growth while much larger industries, other than service businesses, either stagnate or increase modestly.

Currently there are a lot of jobs available in the region, but a large percentage do not pay a wage high enough to live on. Many other jobs are going unfilled because employers cannot find skilled workers to fill them. Compounding that problem are wages that are too low to lure skilled workers in from other states, convince Idaho residents to switch careers or entice young people to pursue those skills in their post-secondary education. As long as population growth continues, the Boise area economy should be able to maintain a low unemployment rate and good job growth. The June 2006 civilian labor force and total employment figures for all 10 counties in southwestern Idaho are shown in Treasure Valley Table 2 on page 13.

AREA DEVELOPMENTS

Boise MSA

- According to the latest Wells Fargo report, the cost of living in the Boise metropolitan area was up 0.8 percent in June, four times the national average increase. Surprisingly, fuel prices were not directly to blame. They remained fairly steady at the pump. But indirectly, persistently high fuel costs have begun driving up the cost of doing business so consumers are starting to pay increased prices for most goods and services. Nearly every major business from agriculture to manufacturing to retail uses petroleum products in one form or another. If wage increases continue to lag behind the rate of inflation, many workers in the area will essentially be taking pay cuts this year if the cost of living continues rising as it has.
- Over the next several years a \$28 million infusion from the Federal Aviation Administration will make the Boise Airport more traveler-friendly and up to date. Boise will receive equipment allowing instrument landings during low visibility and fog that have forced flight cancellations or delays in the past. In addition, the Boise Airport will get a

new tower with construction to start in 2007. These improvements will maintain construction as a major job generator for the metropolitan area. The new tower will allow the airport to expand, possibly attracting a new carrier or enabling existing carriers to expand operations. The airport has said the new tower will allow use of a section of runway not previously used except by the military. That will free up extra space for passengers.

- A survey conducted by the local office of the National Association of Residential Property Managers shows a dramatic decline in single family rental home vacancies during the second quarter. Twenty-seven percent of property managers responded to the survey, and they saw total single family rental home vacancies decrease from 10.8 percent in the first quarter to 3.8 percent in the second. The large decline reflects the rise in housing prices and interest rates to the point that owning a home is no longer affordable to many area wage earners. Coupled with stagnating personal income levels, people are turning to the rental market for affordable housing. In contrast to the declining vacancy rates rents are increasing. The Boise area's average rent in the second quarter was \$709, a 0.7 percent increase over the first quarter.
- It is no surprise that investors are playing a big role in the metropolitan area's escalating housing prices. In 2003, only 8 percent of loans were taken out by investors. In 2004 that number grew to 11.4 percent. It nearly doubled in 2005 to 21.3 percent, the highest rate in the nation. Through April 2006, the Boise area was second in the nation with 19 percent of home loans taken out by out-of-state investors. The timeline and value of housing price increases and investor interest are directly correlated. Such a small decline in investor interest so far this year indicates the area housing market is still strong and viewed by many as undervalued and a good investment option.
- Despite continuing investor interest, the residential building boom is slowing somewhat, mostly in the eastern half of the valley. What is happening, however, is the building boom is following the population as it moves west. The city of Caldwell, for example, has issued 46 percent more single family residential building permits than a year ago. Housing becomes more affordable the farther west it is from Ada County, where land and home prices continue to escalate. In addition to residential building, Canyon County is home to

major commercial development and a new free-way interchange.

- The Sky Ranch Business Park in Caldwell is beginning to fill up. BMC West recently announced it will build a manufacturing and distribution center on 20 acres in the business park with up to 200 employees over the next five years. BMC West will make trusses and millwork products at the facility. This is a big boost to the manufacturing sector in Canyon County, which has experienced its share of layoffs in recent years. Many of these jobs will require skills beyond entry level and will come with benefits. Manufacturing jobs add more to the economy than service jobs since the pay is generally higher, and making a tangible product builds wealth in the economy.
- The Boise area's appeal to national retailers was underscored with two more major chains announcing store openings. Levi Strauss will be opening a store in the downtown Boise Bodo redevelopment project, and The Cheesecake Factory will be locating a new store in the Boise Towne Square Mall's expansion. Due to the area's robust population growth and influx of retail industry, it is viewed by these chains as a growth market that continues to attract more nationally known restaurants and retailers to further enhance the quality of life and dining and entertainment options.

Adams County

- The recent tornado in Adams County resulted in some unexpected timber sales that have injected much welcomed money and good-paying jobs into the local economy. Tamarack Mill is one of the contractors removing 630,000 board feet of saleable timber downed along roadways. Summit Logging is removing another 150,000 board feet.
- Private land values in Adams County continue to escalate with spillover development from nearby Valley County. Values in 2006 increased by 65

percent over 2005, an increase of \$190 million. The city of New Meadows led the way because of its proximity to McCall and Valley County with values increasing up to 400 percent in some areas. New Meadows and Adams County are not far behind McCall and Valley County in dealing with the problems of rapid growth, escalating land and building values and a shortage of affordable housing.

Valley County

- The city of McCall is responding to its growing need for affordable housing. As construction of the Tamarack Resort continues and land and building prices escalate beyond the reach of many area workers, the McCall City Council contracted with the Boise-based not-for-profit group, Neighborhood Housing Services, to build affordable modular homes on city owned lots. The homes will be anywhere from 1,000 to 1,500 square feet and cost between \$100,000 and \$200,000. Neighborhood Housing Services plans to have the first 10 home built before the first snowfall, allowing buyers to live in McCall without the need to earn a large salary to do so.

Payette County

- In an effort to retain jobs and create new ones with Seneca Foods, the city of Payette received a \$500,000 community development block grant to finance improvements to accommodate Seneca Foods' plans to build a new warehouse and install a new rail spur. This expansion of Seneca Foods is good news since Seneca laid off 100 workers just two years ago. The grant will pay to remove old utilities and make site improvements for the warehouse.

John Panter, Regional Economist
205 E. Watertower Lane, Meridian, ID 83642
(208) 364-7785, ext. 3599



NEW ON THE WEB — <http://lmi.idaho.gov>

On the Map *Interactive Mapping Tool*

On the map is an interactive mapping application that shows in high definition where people live and where they work.

Users begin by defining custom study areas using a freehand drawing tool or by simply clicking on a geographic area, such as a city, county or ZIP code. Based on the selected area, maps and reports are produced showing where workers come from that are employed in the selected area or where workers are

employed that live in the selected area. The application was developed through a partnership between the US Census Bureau and its Local Employment Dynamics partner states, including Idaho.

The tool is used by many organizations such as Workforce investment boards, businesses, chambers of commerce, economic development agencies, transportation planners, and federal, state and local agencies. Take a tour or just start using it right away. It's on the Web site home page — <http://lmi.idaho.gov>.